



STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
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February 1, 2000

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Executive Director

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

No. 2000/013

PROPOSED RULE 138
EXEMPTION OF LOW-VALUE PROPERTY

The Board recently directed staff to begin the process of drafting a Property Tax Rule to clarify language in section 155.20 of the Revenue and Taxation Code. The new rule will be Property Tax Rule 138 and is tentatively titled *Exemption of Low-Value Property*. It is scheduled for discussion at the Board's Property Tax Committee meeting on July 26, 2000. An interested parties meeting is contemplated for June 16, 2000.

In order to make this rule-writing process comprehensive, we are seeking your thoughts and comments on what issues should be addressed in a rule. Some of the issues currently under discussion for resolution in the rule are:

- Defining *classes* of property as used in Revenue and Taxation Code section 155.20, subdivision (b)(2).
- Defining *base year value* as "factored base year value."
- Defining whether the cost/benefit analysis used to determine the exemption level amount is based on data from one year or multiple years.
- Determining whether the exempted property must be enrolled.

Any suggestions or comments regarding the subject matter of the proposed rule must be received by March 1, 2000, in order to be considered for inclusion in the first draft. The tentative deadline for staff finalizing the draft and mailing the proposed rule to interested parties is April 3, 2000.

If you have any questions regarding this project, please contact either Dean Kinnee at (916) 322-3822, e-mail dkinnee@boe.ca.gov; or Benjamin Tang at (916) 324-2720, e-mail btang@boe.ca.gov; fax number (916) 323-8765.

Sincerely,

/s/ David J. Gau for

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:bt